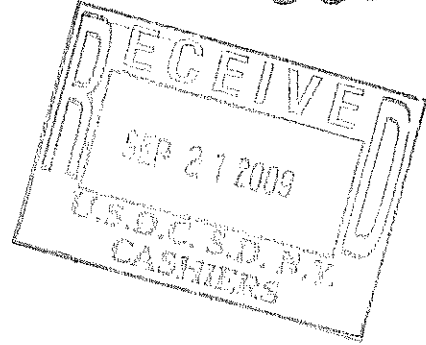


JUDGE BATT'S

09 CIV 8050

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Eugene J. O'Connor (EO-9925)
Timothy Semenoro (TS-6847)
Andrew J. Warner (AW-5534)



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SIRIUS SHIPPING INC.

Plaintiff,

09 CV _____

v.

VERIFIED COMPLAINT

ISLAND AGREGATE GROUP CAYMAN LTD.
d/b/a MONSEN AND WOOD SHIPPING LTD.,

Defendants.
-----X

Plaintiff SIRIUS SHIPPING INC. (hereinafter "SIRIUS"), by its attorneys, as and for its
Verified Complaint against the defendant ISLAND AGREGATE GROUP CAYMAN LTD.
(hereinafter "ISLAND") d/b/a MONSEN AND WOOD SHIIPNG LTD (hereinafter
"MONSEN") alleges upon information and belief as follows:

JURISDICTION

1. This is an admiralty and maritime claim within the meaning of Rule 9(h) of the
Federal Rules of Civil Procedure, and also falls under this Court's admiralty and maritime
jurisdiction pursuant to 28 U.S.C. § 1333.

2. The Court also has jurisdiction pursuant to 9 U.S.C. § 1, et seq. and 9 U.S.C. §
201, et seq.

THE PARTIES

3. At all times material hereto, Plaintiff SIRIUS was and still is a business entity duly organized and existing pursuant to the laws of a foreign country with an office and principal place of business in St. Vincent and Grenadines.

4. The Plaintiff SIRIUS was the owner or disponent owner of the vessel M/V LUNDENES and in the business chartering vessels, including the M/V LUNDENES, for the carriage of cargo in exchange for payments of hire.

5. At all times material hereto, defendant ISLAND was and still is a business entity duly organized and existing pursuant to the laws of the a foreign country with an office and principal place of business at P.O. Box 864, Georgetown, Grand Cayman, Cayman Islands.

6. The defendant ISLAND was the charterer of the vessel M/V LUNDENES, and in the business of chartering vessels, including the M/V LUNDENES for the carriage of goods by sea.

7. At all times material hereto, defendant MONSEN was and still is a business entity duly organized and existing pursuant to the laws of the a foreign country with an office and principal place of business in the Cayman Islands.

8. Upon information and belief, Defendant ISLAND was, and is, doing business under the name of Defendant MONSEN. *See* Exhibit A.

FACTS AND CLAIM

9. On or about December 13, 2006, Plaintiff SIRIUS entered into a charter party agreement with Defendant ISLAND, whereby SIRIUS agreed to charter the M/V LUNDENES to Defendant ISLAND for a period of 3 years. *See* Exhibit B.

10. The charter party agreement entered into between Plaintiff SIRIUS and Defendant ISLAND is a maritime contract in the form of a Time Charter incorporating the terms and conditions of a New York Produce Exchange standard chartered party agreement (hereinafter collectively referred to as the “maritime contract”). *See* Exhibit B.

11. Pursuant to the terms and conditions of the maritime contract, Plaintiff SIRIUS and Defendant ISLAND agreed to, among other things, that ISLAND would pay hire to SIRIUS for the use of the vessel at a rate of US \$3,600 per day, and that any disputes were to be submitted to New York arbitration and subject to U.S. law. *See* Exhibit B.

12. Pursuant to the terms and conditions of the maritime contract, plaintiff SIRIUS delivered the vessel to Defendant ISLAND, ISLAND made use of the vessel, and hire was earned. *See* Exhibit C.

13. To date, Defendant ISLAND had failed to make hire payments, in breach of the maritime contract.

14. Despite due demand by Plaintiff SIRIUS to Defendants ISLAND, an amount of USD \$381,456.91 remains due and owing to SIRIUS from ISLAND.

DAMAGES AND AWARDABLE INTEREST

15. As previously indicated above, the maritime contract provides that any disputes arising under the maritime contract are subject to resolution under U.S. law and determination by a New York arbitration panel, none of which is deemed waived.

16. Plaintiff SIRIUS will commence proceedings against Defendant ISLAND and MONSEN in New York pursuant to the maritime contract.

17. Furthermore, the award of interest is allowed under U.S. law and is regularly awarded in maritime matters such as the subject dispute.

18. The estimated damages for Plaintiff SIRIUS's claim against Defendants ISLAND and MONSEN is approximately

A.	Principal claim	\$	381,456.91
B.	Estimated interest on claims: <u>3 years at 6%, compounded quarterly</u>	\$	<u>68,619.90</u>
Total		\$	450,076.81

PRAYER FOR RELIEF

19. Notwithstanding the fact that the liability of Defendants ISLAND and MONSEN is subject to determination by New York arbitration, there are now, or will be during the pendency of this action, certain assets, accounts, freights, monies, charter hire, credits, effects, payment for bunkers, goods or services, bills of lading, cargo and the like belonging to or claimed by the Defendants within this District and held by various parties, as garnishees.

20. Plaintiff SIRIUS has sufficient reason to believe that Defendant ISLAND's tangible or intangible personal property or other assets, *to wit*: bank accounts; payments of freight and/or hire in U.S. dollars to other vessel Owners from the Defendant and payments of U.S. dollars to the Defendant from third party Owners of cargo, vendors and/or suppliers; and/or Clearing House Interbank Payment System (CHIPS) credits; and/or operational funds being transferred through intermediary banks in the form of electronic payment transfers (i.e. "EFT"s) are located in this District in the possession of several garnishees and said garnishees are enumerated in the proposed Process of Maritime Attachment and Garnishment.

21. Plaintiff SIRIUS's belief that defendants ISLAND and MONSEN's property may be found in the district is based on the fact that ISLAND and MONSEN have previously

transferred money to plaintiff SIRIUS in US Dollars which were routed through the Clearing House Interbank Payment System (“CHIPS”) system and relating to the use of the subject vessel.

22. Specifically, on December 5, 2007 defendant ISLAND made a payment to plaintiff SIRIUS in the amount of US \$10,000.00 pursuant to the subject maritime contract via intermediary bank Wachovia in New York. A copy of the wire transfer detail is attached as Exhibit “D”.

23. Wachovia Bank, as well as 46 other financial institutions, participates in the CHIPS system in New York to send US dollar wire transfers between banks in the United States and throughout the world. *See* <http://www.chips.org>.

24. Further, in the maritime industry, it is almost universally accepted that electronic (wire) funds transfers which are in US dollars will be through the CHIPS system in New York, of which 46 financial institutions participate.

25. Pursuant to the terms and conditions of the subject maritime contract, all payments of hire from ISLAND and MONSEN to SIRIUS are to be made in US Dollars. Counsel’s prior experience has indicated that the thirteen (13) below-named garnishee banks handle the vast majority of funds transfers in New York because this firm has in fact attached international wire transfers relating to commercial transactions in the maritime industry in these banks on many occasions.

26. Accordingly, Plaintiff believes that some of these assets, in bank accounts and/or as funds being transferred through intermediary banks, are located in this District in the possession of garnishees, including ABN AMRO Bank, American Express Bank, Ltd., Bank of America, Bank of China, Bank of New York Mellon, Barclays Bank, Citibank NA, Deutsche

Bank, HSBC Bank, JP Morgan Chase Bank, Standard Chartered Bank, UBS AG, Wachovia Bank, CHIPS, and possibly other banks or financial institutions located in New York.

27. As set forth in the accompanying Declaration of Andrew J. Warner, Esq., the Defendants ISLAND and MONSEN cannot be found within this District within the meaning of Rule B of the Supplemental Rules for Admiralty or Maritime Claims of the Federal Rules of Civil Procedure.

28. Because this Verified Complaint sets forth an *in personam* maritime claim against the Defendants ISLAND and MONSEN and because the Defendants cannot be found within this District within the meaning of Rule B of the Supplemental Rules for Admiralty and Maritime Claims of the Federal Rules of Civil Procedure, the requirement for a Rule B attachment and garnishment are met and Plaintiff SIRIUS seeks the issuance of a Process of Maritime Attachment and Garnishment so that it may obtain security for its claims against the Defendants and/or *quasi in rem* jurisdiction over the property of the Defendants so that an eventual judgment and/or award can be satisfied.

WHEREFORE, plaintiff prays as follows:

A. That the Defendants ISLAND and MONSEN be summoned to appear and answer this Verified Complaint;

B. That the Defendants ISLAND and MONSEN not being found within this District as set forth in the Declaration of Andrew J. Warner, Esq., then all of its assets, accounts, freights, monies, charter hire, credits, effects, payment for bunkers, goods or services, bills of lading, cargo and the like belonging to or claimed by the Defendants within this District up to the amount sued for herein be attached pursuant to Rule B of the Supplemental Rules for Admiralty

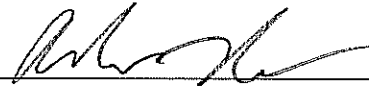
and Maritime Claims of the Federal Rules of Civil Procedure and to pay Plaintiff SIRIUS's damages;

C. That this Court retain jurisdiction over this matter through the entry of a judgment either by this Court and/or the London arbitration panel, so that judgment may be entered in favor of Plaintiff SIRIUS for the amount of its claim with costs, *i.e.* **US \$450,076.81**, and that a judgment of condemnation and sale be entered against the property arrested and attached herein in the amount of plaintiff's claim, plus costs to be paid out of the proceeds thereof; and

D. That Plaintiff SIRIUS has such other and further relief as the Court may determine to be just and proper under the circumstances.

Dated: Port Washington, New York
September 21, 2009

CHALOS, O'CONNOR & DUFFY LLP
Attorneys for Plaintiff,



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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
SIRIUS SHIPPING INC.

Plaintiff,

09 CV _____

v.

**VERIFICATION OF
COMPLAINT**

ISLAND AGREGATE GROUP CAYMAN LTD.
d/b/a MONSEN AND WOOD SHIIPNG LTD.,

Defendants.
-----X

Pursuant to 28 U.S.C. § 1746, ANDREW J. WARNER, Esq., declares under the penalty of perjury:

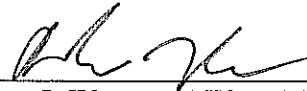
1. I am associated with the law firm of Chalos, O'Connor & Duffy, attorneys for the Plaintiff SIRIUS SHIPPING INC. herein;
2. I have read the foregoing complaint and know the contents thereof; and
3. I believe the matters to be true based on documents and information obtained from employees and representatives of the Plaintiff through its underwriters and attorneys. The reason that this verification was made by deponent and not by the Plaintiff is because Plaintiff is a foreign corporation, whose officers are not in this district, and whose verification cannot be obtained within the time constraints presented by the circumstances of this case.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: Port Washington, New York
September 21, 2009

CHALOS, O'CONNOR & DUFFY, LLP
Attorneys for Plaintiff

By:



Andrew J. Warner (AW-5534)
366 Main Street
Port Washington, New York 11050
Tel: (516) 767-3600 / Fax: (516) 767-3605



Split Ship Management

79

Internet E-mail In: 15864-09

From: Monsen and Wood Shipping Ltd.
Date: 27.1.2009 20:41:19
To: ssmchart
Subject: Re: mv Lundenes Island Agregate DEBT!
Attachments:

Dear Sandro,

We did not change the name of the company to monsen and wood shipping lid. this is something that we were going to do. It is still the same name. I just changed on my email but we are not changing it again.

My dad if in surgery today, I will call you tomorrow to discuss.

Best Regards,

Sean

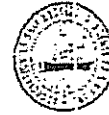
On Tue, Jan 27, 2009 at 10:06 AM, SSM - Chartering
 <ssm-chartering@ssm.htnet.hr> wrote:

> Dear Sean,
 >
 > See that You now changed the name of Your company, from
 > Island Agregate to Monsen and Wood Shipping Ltd. Did You
 > buy ships or You intend to buy, since the company is now named
 > with word "shipping".
 >
 > We would require a very urgent response.
 >
 > Plsd to hear.
 >
 > Brgds
 > Sandro
 > — Original Message —
 > From: Monsen and Wood Shipping Ltd.
 > To: SSM - Chartering
 > Sent: 1/28/2009 9:30:00 PM
 > Subject: Re: mv Lundenes Island Agregate DEBT!
 > Sandro,
 >>
 >> Today is a holiday in Cayman. I will call you tomorrow.
 >>
 >> Best Regards,
 >>
 >> Sean
 >
 >
 > Approved by:
 >
 > Chartering Manager
 > Sandro Bozic
 >
 >

SPLIT SHIP MANAGEMENT	
RECEIVED	SENT
PRESIDENT & C.E.O.	FLYNET & QSE
FLYNET & TECHNICAL	FLYNET & PERSONNEL
Date: 28-01-2009 No:	
CHARTERING	FINANCIAL
MARKETING	TRADING CENTRE
TRAVEL AGENCY	SALE HEAD
FORM - 101/001	

Code Name: "NYPE 93"
 Recommended by:
 The Baltic International Maritime Council (BIMCO)
 The Federation of National Associations of
 Ship Brokers and Agents (FONASBA)

B 1.8



TIME CHARTER®

New York Produce Exchange Form
 Issued by Association of Ship Brokers and Agents (U.S.A.) Inc.

November 6th, 1915 - Amended October 20th, 1921; August 6th, 1931; October 3rd, 1946;
 Revised June 1st, 1951; September 14th 1953.

THIS CHARTER PARTY made and entered into

SPLIT

on this 13 day of December 1956

Between Sirius Shipping Inc. Trust House 112, Bond Street, Kingstown, Saint Vincent

Owners of the Vessel described below and Island Aggregate Group Cayman Ltd.

Charterers

Description of Vessel

Name Lundenes Flag Panama Built 1972 year
 Port and number of Register Panama
 Classed DNV
 Deadweight 2600 sqwcc/2550 wdwcc long metric tons (cargo and bunkers including freshwater and stores not exceeding long metric tons) on a salt water draft of
 on summer freeboard
 Capacity 118,000 cubic feet grain 114,000 cubic feet bale space
 Tonnage 1731/1143 GRT
 Speed about 11 knots fully laden in good weather conditions up to and including maximum
 Fuel 4 on the B&S for a no scale on a consumption of about 4.3 long metric tons of MGO

* Delete as appropriate

For further description see Appendix "A" if applicable

1. Duration

The Owners agree to let and the Charterers agree to hire the Vessel from the time of delivery for a period of

Freight straight

within below mentioned trading limits.

Printed and sold by F. C. Anderson, Esq., 100 Nassau St., New York, N.Y.
 with permission of A.S.B.A. N.Y. Trans. No. 4585 (1951)

12/13/05 05:59pm P. 001

2. Delivery

The Vessel shall be placed at the disposal of the Charterers at

.....
, in western part of North Europe

..... The Vessel on her delivery shall be ready to receive cargo with clean-swept holds and tight, staunch, strong and in every way fitted for ordinary cargo service, having water ballast and with sufficient power to operate all cargo-handling gear simultaneously.

The Owners shall give the Charterers not less than 5 days notice of expected date of delivery.

3. On-Off Hire Survey

Prior to delivery and redelivery the parties shall, unless otherwise agreed, each appoint surveyors, for their respective accounts, who shall not later than at first loading port/first discharging port respectively, conduct joint on-hire/off-hire surveys for the purpose of ascertaining quantity of bunkers on board and the condition of the Vessel. A single report shall be prepared on each occasion and signed by each surveyor, without prejudice to his right to file a separate report setting forth items upon which the surveyors cannot agree. If either party fails to have a representative attend the survey and sign the joint survey report such party shall nevertheless be bound for all purposes by the findings in any report prepared by the other party. On-hire survey shall be on Charterers' time and off-hire survey on Owners' time.

4. Dangerous Cargo/Cargo Exclusions

(a) The Vessel shall be employed in carrying lawful merchandise excluding any goods of a dangerous, injurious, flammable or corrosive nature unless carried in accordance with the requirements or Recommendations of the competent authorities of the country of the Vessel's registry and of ports of shipment and discharge and of any intermediate countries or ports through whose waters the Vessel must pass. Without prejudice to the generality of the foregoing, in addition the following are specifically excluded: livestock of any description, arms, ammunition, explosives, nuclear and radioactive materials.

(b) If IMO-classified cargo is agreed to be carried, the amount of such cargo shall be limited to tons and the Charterers shall provide the Master with any evidence he may reasonably require to show that the cargo is packaged, labeled, loaded and stowed in accordance with IMO regulations, failing which the Master is entitled to refuse such cargo or, if already loaded, to unload it at the Charterers' risk and expense.

5. Trading Limits

The Vessel shall be employed in such lawful trades between safe ports and safe places within Caribbean Sea/South part of NA/N part of SA/Central America excluding as the Charterers shall direct

6. Owners to Provide

The Owners shall provide and pay for the insurance of the Vessel, except as otherwise provided, and for all provisions, cabin, deck, engine-room and other necessary stores, including boiler water; shall pay for wages, consular shipping and discharging fees of the crew and charges for port services pertaining to the crew; shall maintain the Vessel's class and keep her in a thoroughly efficient state in hull, machinery and equipment for and during the service, and have a full complement of officers and crew.

7. Charterers to Provide

The Charterers, while the Vessel is on hire, shall provide and pay for all the bunkers except as otherwise agreed; shall pay for port charges (including compulsory watchmen and cargo watchmen and compulsory garbage disposal), all communication expenses pertaining to the Charterers' business at cost, pilotages, towages, agencies, commissions, consular charges (except those pertaining to individual crew members or flag of the Vessel), and all other usual expenses except those stated in Clause 6, but when the Vessel puts into a port for causes for which the Vessel is responsible (other than by stress of weather), then all such charges incurred shall be paid by the Owners. Fumigations ordered because of illness of the crew shall be for the Owners' account. Fumigations ordered because of cargoes carried or ports visited while the Vessel is employed under this Charter Party shall be for the Charterers' account. All other fumigations shall be for the Charterers' account after the Vessel has been on charter for a continuous period of six months or more.

The Charterers shall provide and pay for necessary dunnage and also any extra fittings requisite for a Special trade or unusual cargo, but the Owners shall allow them the use of any dunnage already aboard the Vessel. Prior to delivery the Charterers shall remove their dunnage and fittings at their cost and in their time.

8. Performance of Voyages

(a) The Master shall perform the voyages with due despatch, and shall render all customary assistance with the Vessel's crew. The Master shall be conversant with the English language and (although appointed by the Owners) shall be under the orders and directions of the Charterers as regards employment and agency; and the Charterers shall perform all cargo handling, including but not limited to loading, stowing, trimming, lashing, securing, dunnaging, unlashings, discharging, and tallying, at their risk and expense, under the supervision of the Master.

(b) If the Charterers shall have reasonable cause to be dissatisfied with the conduct of the Master or officers, the Owners shall, on receiving particulars of the complaint, investigate the same, and, if necessary, make a change in the appointments.

9. Bunkers

(a) The Charterers on delivery, and the Owners on redelivery, shall take over and pay for all fuel and diesel oil remaining on board the Vessel as hereunder. The Vessel shall be delivered with: long/metric tons of fuel oil at the price of As per last paid per ton; tons of diesel oil at the price of As per last paid per ton. The vessel shall be redelivered with: tons of fuel oil at the price of As per last paid per ton; tons of diesel oil at the price of As per last paid per ton.

* Same tons apply throughout this clause.

(b) The Charterers shall supply bunkers of a quality suitable for burning in the Vessel's engines and auxiliaries and which conform to the specification(s) as set out in Appendix A.

The Owners reserve their right to make a claim against the Charterers for any damage to the main engines or the auxiliaries caused by the use of unsuitable fuels or fuels not complying with the agreed specification(s). Additionally, if bunker fuels supplied do not conform with the mutually agreed specification(s) or otherwise prove unsuitable for burning in the Vessel's engines or auxiliaries, the Owners shall not be held responsible for any reduction in the Vessel's speed performance and/or increased bunker consumption, nor for any time lost and any other consequences.

10. Rate of Hire/Redelivery Areas and Notices

The Charterers shall pay for the use and hire of the said Vessel at the rate of \$ 3,600,00 U.S. currency, daily, or \$ U.S. currency per ton on the Vessel's total deadweight carrying capacity, including bunkers and stores on summer freeboard, per 30 days, commencing on and from the day of her delivery, as aforesaid, and at and after the same rate for any part of a month; hire shall continue until the hour of the day of her redelivery in like good order and condition, ordinary wear and tear excepted, to the Owners (unless Vessel lost) at 1 sp/sb within trading area unless otherwise mutually agreed.

The Charterers shall give the Owners not less than 30 days notice of the Vessel's expected date and probable port of redelivery.

For the purpose of hire calculations, the times of delivery, redelivery or termination of charter shall be adjusted to GMT.

11. Hire Payment

(c) Payment

Payment of Hire shall be made so as to be received by the Owners or their designated payee in , viz Will be advised timely in

USD currency, or in United States Currency in funds available to the Owners on the due date, 15 days in advance, and for the last month or part of same the approximate amount of hire, and should same not cover the actual time hire shall be paid for the balance day by day as it becomes due, if so required by the Owners. Failing the punctual and regular payment of the hire or on any fundamentals breach whatsoever of this Charter Party the Owners shall be at liberty to withdraw the Vessel from the service of the Charterers without prejudice to any claims they (the Owners, may otherwise have on the Charterers.

At any time after the expiry of the grace period provided in Sub-clause 11 (c) hereunder and while the hire is outstanding the Owners shall, without prejudice to the liberty to withdraw, be entitled to withhold the performance of any and all of their obligations hereunder and shall have no responsibility whatsoever for any consequences thereof in respect of which the Charterers hereby indemnify the Owners, and hire shall continue to accrue and any extra expenses resulting from such withholding shall be for the Charterers' account.

(b) Grace Period

Where there is failure to make punctual and regular payment of hire due to oversight, negligence, errors or omissions on the part of the Charterers or their bankers, the Charterers shall be given by the Owners 3 clear banking days (as recognized at the agreed place of payment) written notice to rectify the failure, and when so rectified within those 3 days following the Owners' notice, the payment shall stand as regular and punctual.

Failure by the Charterers to pay the hire within 3 days of their receiving the Owners' notice as provided herein, shall enable the Owners to withdraw as set forth in Sub-clause 11 (a) above.

(c) Last Hire Payment

Should the Vessel be on her voyage towards port of redelivery at the time the last and/or the penultimate payment of hire is/are due, said payment(s) is/are to be made for such length of time as the Owners and the Charterers may agree upon as being the estimated time necessary to complete the voyage, and taking into account bunkers actually on board, to be taken over by the Owners and estimated disbursements for the Owners' account before redelivery. Should same not cover the actual time, hire is to be paid for the balance, day by day, as it becomes due. When the Vessel has been redelivered, any difference is to be refunded by the Owners or paid by the Charterers as the case may be.

(d) Cash Advances

Cash for the Vessel's ordinary disbursements at any port may be advanced by the Charterers, as required by the Owners, subject to 25 percent commission and such advances shall be deducted from the hire. The Charterers, however, shall in no way be responsible for the application of such advances.

12. Berths

The Vessel shall be loaded and discharged in any safe dock or at any safe berth or safe place that Charterers or their agents may direct, provided the Vessel can safely enter, lie and depart always afloat at any time or tide.

13. Spaces Available

(a) The whole reason of the Vessel's holds, decks and other cargo spaces (not more than one can reasonably and safely stow and carry), also accommodations for supercargo, if carried, shall be at the Charterers' disposal, reserving only proper and sufficient space for the Vessel's officers, crew, tackle, apparel, furniture, provisions, stores and fuel.

(b) In the event of deck cargo being carried, the Owners are to be and are hereby indemnified by the Charterers for any loss and/or damage and/or liability of whatsoever nature caused to the Vessel as a result of the carriage of deck cargo and which would not have arisen had deck cargo not been loaded.

14. Supercargo and Meals

The Charterers are entitled to appoint a supercargo who shall accompany the Vessel at the Charterers' risk and see that voyages are performed with due despatch. He is to be furnished with free accommodation and same fare as provided for the Master's table, the Charterers paying at the rate of Usd 10,00 per day. The Owners shall victual pilots and customs officers, and also, when authorized by the Charterers or their agents, shall victual tally clerks, stevedore's foreman etc., Charterers paying at the rate of Usd 6,5 per meal for all such victualling.

15. Sailing Orders and Logs

The Charterers shall furnish the Master from time to time with all requisite instructions and sailing directions, in writing, in the English language, and the Master shall keep full and correct deck and engine logs of the voyage or voyages, which are to be patent to the Charterers or their agents, and furnish the Charterers, their agents or supercargo, when required, with a true copy of such deck and engine logs, showing the course of the Vessel, distance run and the consumption of bunkers. Any log extracts required by the Charterers shall be in the English language.

16. Delivery/Cancellation

If required by the Charterers, time shall not commence before 18.Dec.2006 and should the Vessel not be ready for delivery on or before 30.Dec.2006 but not later than 2400 hours the Charterers shall have the option of cancelling this Charter Party.

Extension of Cancelling

If the Owners warrant that despite the exercise of due diligence by them, the Vessel will not be ready for delivery by the cancelling date and provided the Owners are able to state with reasonable certainty the date on which the Vessel will be ready, they may, at the earliest seven days before the Vessel is expected to sail for the port or place of delivery, require the Charterers to declare whether or not they will cancel the Charter Party. Should the Charterers elect not to cancel, or should they fail to reply within two days or by the cancelling date, whichever shall first occur, then the seventh day after the expected date of readiness for delivery as notified by the Owners shall replace the original cancelling date. Should the Vessel be further delayed, the Owners shall be entitled to require further declarations of the Charterers in accordance with this Clause.

17. Off Hire

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In the event of loss of time from deficiency and/or default and/or strike of officers or crew, or deficiency of stores, fire, breakdown of, or damages to hull, machinery or equipment, grounding, detention by the arrest of the Vessel, (unless such arrest is caused by events for which the Charterers, their servants, agents or subcontractors are responsible), or detention by average accidents to the Vessel or cargo unless resulting from inherent vice, quality or defect of the cargo, drydocking for the purpose of examination or painting bottom, or by any other similar cause preventing the full working of the Vessel, the payment of hire and overtime, if any, shall cease for the time thereby lost. Should the Vessel deviate or put back during a voyage, contrary to the orders or directions of the Charterers, for any reason other than accident to the cargo or where permitted in lines 257 to 258 hereunder, the hire is to be suspended from the time of her deviating or putting back until she is again in the same or equidistant position from the destination and the voyage resumed therefrom. All bunkers used by the Vessel while off hire shall be for the Owners' account. In the event of the Vessel being driven into port or to anchorage through stress of weather, trading to shallow harbors or to rivers or ports with bars, any detention of the Vessel and/or expenses resulting from such detention shall be for the Charterers' account. If upon the voyage the speed be reduced by defect in, or breakdown of, any part of her hull, machinery or equipment, the time so lost, and the cost of any extra bunkers consumed in consequence thereof, and all extra proven expenses may be deducted from the hire.

18. Sublet

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Unless otherwise agreed, the Charterers shall have the liberty to sublet the Vessel for all or any part of the time covered by this Charter Party, but the Charterers remain responsible for the fulfillment of this Charter Party.

19. Drydocking

241

The Vessel was last drydocked _____

“(a) The Owners shall have the option to place the Vessel in drydock during the currency of this Charter at a convenient time and place, to be mutually agreed upon between the Owners and the Charterers, for bottom cleaning and painting and/or repair as required by class or dictated by circumstances.

“(b) Except in case of emergency no drydocking shall take place during the currency of this Charter Party.

* Delete as appropriate

20. Total Loss

249

Should the Vessel be lost, money paid in advance and not earned (reckoning from the date of loss or being last heard of) shall be returned to the Charterers at once.

21. Exceptions

253

The act of God, enemies, fire, restraint of princes, rulers and people, and all dangers and accidents of the seas, rivers, machinery, boilers, and navigation, and errors of navigation throughout this Charter, always mutually excepted.

22. Liberties 255

The Vessel shall have the liberty to sail with or without pilots, to tow and to be towed, to assist vessels in distress, and to deviate for the purpose of saving life and property. 257

23. Liens 258

The Owners shall have a lien upon all cargoes and all sub-freights and/or sub-hire for any amounts due under this Charter Party, including general average contributions, and the Charterers shall have a lien on the Vessel for all monies paid in advance and not earned, and any overpaid hire or excess deposit to be returned at once. 260

The Charterers will not directly or indirectly suffer, nor permit to be continued, any lien or encumbrance, which might have priority over the title and interest of the Owners in the Vessel. The Charterers undertake that during the period of this Charter Party, they will not procure any supplies or necessities or services, including any port expenses and bunkers, on the credit of the Owners or in the Owners' time. 264

24. Salvage 265

All derelicts and salvage shall be for the Owners' and the Charterers' equal benefit after deducting Owners' and Charterers' expenses and crew's proportion. 266

25. General Average 267

General average shall be adjusted according to York-Antwerp Rules 1974, as amended 1990, or any subsequent modification thereof in In London and settled in usd currency. 272

The Charterers shall procure that all bills of lading issued during the currency of the Charter Party will contain a provision to the effect that general average shall be adjusted according to York-Antwerp Rules 1974, as amended 1990, or any subsequent modification thereof and will include the "New Jason Clause" as per Clause 31. 275

Time charter hire shall not contribute to general average. 276

26. Navigation 280

Nothing herein stated is to be construed as a demise of the Vessel to the Time Charterers. The Owners shall remain responsible for the navigation of the Vessel, acts of pilots and tug boats, insurance, crew, and all other matters, same as when trading for their own account. 281

27. Cargo Claims 284

Cargo claims as between the Owners and the Charterers shall be settled in accordance with the Inter-Club New York Produce Exchange Agreement of February 1970, as amended May, 1984, or any subsequent modification or replacement thereof. 285

28. Cargo Gear and Lights

The Owners shall maintain the cargo handling gear of the Vessel which is as follows.

Excavator Aukerman H16D, outreach abt 8 meters fm ships side

providing gear (for all derricks or cranes) capable of lifting capacity as described. The Owners shall also provide on the Vessel for night work lights as on board, but all additional lights over those on board shall be at the Charterers' expense. The Charterers shall have the use of any gear on board the Vessel. If required by the Charterers, the Vessel shall work night and day and all cargo handling gear shall be at the Charterers' disposal during loading and discharging. In the event of disabled cargo handling gear, or insufficient power to operate the same, the Vessel is to be considered to be off hire to the extent that time is actually lost to the Charterers and the Owners to pay stevedore stand-by charges occasioned thereby, unless such disablement or insufficiency of power is caused by the Charterers' stevedores. If required by the Charterers, the Owners shall bear the cost of hiring shore gear in lieu thereof, in which case the Vessel shall remain on hire.

29. Crew Overtime

In lieu of any overtime payments to officers and crew for work ordered by the Charterers or their agents, the Charterers shall pay the Owners concurrently with the hire USD 1,000.00 per month or pro rata.

30. Bills of Lading

(a) The Master shall sign the bills of lading or waybills for cargo as presented in conformity with mates or tally clerk's receipts. However, the Charterers may sign bills of lading or waybills on behalf of the Master, with the Owners prior written authority, always in conformity with mates or tally clerk's receipts.

(b) All bills of lading or waybills shall be without prejudice to this Charter Party and the Charterers shall indemnify the Owners against all consequences or liabilities which may arise from any inconsistency between this Charter Party and any bills of lading or waybills signed by the Charterers or by the Master at their request.

(c) Bills of lading covering deck cargo shall be claused: "Shipped on deck at Charterers', Shippers' and Receivers' risk, expense and responsibility without liability on the part of the Vessel, or her Owners for any loss, damage, expense or delay howsoever caused."

31. Protective Clauses

This Charter Party is subject to the following clauses all of which are also to be included in all bills of lading or waybills issued hereunder:

(a) CLAUSE PARAMOUNT

"This bill of lading shall have effect subject to the provisions of the Carriage of Goods by Sea Act of the United States, the Hague Rules, or the Hague-Visby Rules, as applicable, or such other similar national legislation as may mandatorily apply by virtue of origin or destination of the bills of lading, which shall be deemed to be incorporated herein and nothing herein contained shall be deemed a surrender by the

carrier of any of its rights or immunities or an increase of any of its responsibilities or liabilities under said Applicable Act. If any term of this bill of lading be repugnant to said applicable Act to any extent, such term shall be void to that extent but no further."

and

(c) BOTH-TO-BLAME COLLISION CLAUSE

"If the ship comes into collision with another ship as a result of the negligence of the other ship and any act, neglect or default of the master, mariner, pilot or the servants of the carrier in the navigation or in the management of the ship, the owners of the goods carried hereunder will indemnify the carrier against all loss or liability to the other or non-carrying ship or her owners insofar as such loss or liability represents loss of, or damage to, or any claim whatsoever of the owners of said goods paid or payable by the other or non-carrying ship or her owners to the owners of said goods and set off, recouped or recovered by the other or non-carrying ship or her owners as part of their claim against the carrying ship or carrier."

The foregoing provisions shall also apply where the owners, operators or those in charge of any ships or objects other than, or in addition to, the colliding ships or objects are at fault in respect to a collision or contact."

and

(c) NEW JASON CLAUSE

"In the event of accident, danger, damage or disaster before or after the commencement of the voyage resulting from any cause whatsoever, whether due to negligence or not, for which or for the consequences of which, the carrier is not responsible by statute, contract, or otherwise, the goods, shippers, consignees or owners of the goods shall contribute with the carrier in general average to the payment of any sacrifices, losses, or expenses of a general average nature that may be made or incurred and shall pay salvage and special charges incurred in respect of the goods."

If a saving ship is owned or operated by the carrier, salvage shall be paid for as fully as if saving ship or ships belonged to strangers. Such deposit as the carrier or his agents may deem sufficient to cover the estimated contribution of the goods and any salvage and special charges thereon shall, if required, be made by the goods, shippers, consignees or owners of the goods to the carrier before delivery."

and

(d) U.S. TRADE - DRUG CLAUSE

"In pursuance of the provisions of the U.S. Anti Drug House Act 1986 or any re-enactment thereof the Charterers warrant to exercise the highest degree of care and diligence in preventing unmanifested narcotic drugs and marijuana to be loaded or concealed on board the Vessel."

Non-compliance with the provisions of this clause shall amount to breach of warranty for consequences of which the Charterers shall be liable and shall hold the Owners, the Master and the crew of the Vessel harmless and shall keep them indemnified against all claims whatsoever which may arise and be made against them individually or jointly. Furthermore, all time lost and all expenses incurred, including fines, as a result of the Charterers' breach of the provisions of this clause shall be for the Charterer's account and the Vessel shall remain on hire."

Should the Vessel be arrested as a result of the Charterers' non-compliance with the provisions of this clause, the Charterers shall at their expense take all reasonable steps to secure that within a reasonable time the Vessel is released and at their expense put up the bonds to secure release of the Vessel.

The Owners shall remain responsible for all time lost and all expenses incurred, including fines, in the event that unmanifested narcotic drugs and marijuana are found in the possession or effects of the Vessel's personnel."

and

(e) WAR CLAUSES

(i) No contraband of war shall be shipped. The Vessel shall not be required, without the consent of the Owners, which shall not be unreasonably withheld, to enter any port or zone which is involved in a state of war, warlike operations, or hostilities, civil strife, insurrection or piracy whether there be a declaration of war or not, where the Vessel, cargo or crew might reasonably be expected to be subject to capture, seizure or arrest, or to a hostile act by a belligerent power (the term "power" meaning any de jure or de facto authority or any purported governmental organization maintaining naval, military or air forces).

(ii) If such consent is given by the Owners, the Charterers will pay the provable additional cost of insuring the Vessel against hull war risks in an amount equal to the value under her ordinary hull policy but not exceeding a valuation As per insurers add premium. In addition, the Owners may purchase and the Charterers will pay for war risk insurance on ancillary risks such as loss of hire, freight disbursements, total loss, blocking and trapping, etc. If such insurance is not obtainable commercially or through a government program, the Vessel shall not be required to enter or remain at any such port or zone.

(iii) In the event of the existence of the conditions described in (i) subsequent to the date of this Charter,

or while the Vessel is on hire under this Charter, the Charterers shall, in respect of voyages to any such port or zone assume the provable additional cost of wages and insurance properly incurred in connection with master, officers and crew as a consequence of such war, warlike operations or hostilities.

(iv) Any war bonus to officers and crew due to the Vessel's trading or cargo carried shall be for the Charterers' account."

32. War Cancellation

in the event of the outbreak of war (whether there be a declaration of war or not) between any two or more of the following countries:

either the Owners or the Charterers may cancel this Charter Party. Whereupon, the Charterers shall Redeliver the Vessel to the Owners in accordance with Clause 10; if she has cargo on board, after discharge thereof at destination, or, if departed under this Clause from reaching or entering it, at a near open and safe port as directed by the Owners; or, if she has no cargo on board, at the port at which she then is; or, if at sea, at a near open and safe port as directed by the Owners. In all cases hire shall continue to be paid in accordance with Clause 11 and except as aforesaid all other provisions of this Charter Party shall apply until redelivery.

33. Ice

The Vessel shall not be required to enter or remain in any icebound port or area, nor any port or area where lights or lightships have been or are about to be withdrawn by reason of ice, nor where there is risk that in the ordinary course of things the Vessel will not be able on account of ice to safely enter and remain in the port or area or to get out after having completed loading or discharging. Subject to the Owners' prior approval the Vessel is to follow ice-breakers when reasonably required with regard to her size, construction and ice class.

34. Requisition

Should the Vessel be requisitioned by the government of the Vessel's flag during the period of this Charter Party, the Vessel shall be deemed to be off hire during the period of such requisition, and any hire paid by the said government in respect of such requisition period shall be retained by the Owners. The period during which the Vessel is on requisition to the said government shall count as part of the period provided for in this Charter Party.

If the period of requisition exceeds 6 months, either party shall have the option of cancelling this Charter Party and no consequential claim may be made by either party.

35. Stevedore Damage

Notwithstanding anything contained herein to the contrary the Charterers shall pay for any and all damage to the Vessel, caused by stevedores provided the Master has notified the Charterers and/or their agents in writing as soon as practical but not later than 24 hours after any damage is discovered. Such notice to specify the damage in detail and to invite Charterers to appoint a surveyor to assess the extent of such damage.

(a) In case of any and all damage(s) affecting the Vessel's seaworthiness and/or the safety of the crew and/or affecting the trading capabilities of the Vessel including class requirements the Charterers shall immediately arrange for repairs of such damage(s) at their expense and the Vessel is to remain on hire until such repairs are completed and if required passed by the Vessel's classification society.

(b) Any and all damage(s) not described under point (a) above shall be repaired at the Charterers' option, before or after delivery concurrently with the Owners' work. In such case no hire and/or expenses will be paid to the Owners except and insofar as the time and/or the expenses required for the repairs for which the Charterers are responsible, exceed the time and/or expenses necessary to carry out the Owners' work.

36. Cleaning of Holds

The Charterers shall provide and pay extra for sweeping and/or washing and/or cleaning of holds between voyages and/or between cargoes provided such work can be undertaken by the crew and is permitted by local regulations, at the rate of USD 200,00 per hold.

In connection with any such operation, the Owners shall not be responsible if the Vessel's holds are not accepted or passed by the port or any other authority. The Charterers shall have the option to re-deliver the Vessel with unclean/swept holds against a lumpsum payment of USD 3,000,00 in lieu of cleaning.

37. Taxes

Charterers to pay all local, State, National taxes and/or dues assessed on the Vessel or the Owners resulting from the Charterers orders herein, whether assessed during or after the currency of this Charter Party including any taxes and/or dues on cargo and/or freights and/or sub-freights and/or hire (excluding taxes levied by the country of the flag of the Vessel or the Owners).

38. Charterers' Colors

The Charterers shall have the privilege of flying their own house flag and painting the Vessel with their own markings. The Vessel shall be repainted in the Owners' colors before termination of the Charter Party. Cost and time of painting, maintaining and repainting those changes effected by the Charterers shall be for the Charterers' account.

39. Laid up Returns

The Charterers shall have the benefit of any return insurance premium received by the Owners from the underwriters as and when received from underwriters by reason of the Vessel being in port for a minimum period of 30 days if on full hire for this period or pro rata for the time actually on hire.

40. Documentation

The Owners shall provide any documentation relating to the Vessel that may be required to permit the Vessel to trade within the agreed trade limits including, but not limited to certificates of financial responsibility for oil pollution provided such oil pollution certificates are obtainable from the Owners' P & I club, valid international tonnage certificate, Suez and Panama tonnage certificates, valid certificate of registry and certificates relating to the strength and/or serviceability of the Vessel's gear.

41. Stowaways

(a) The Charterers warrant to exercise due care and diligence in preventing stowaways in gaining access to the Vessel by means of secreting away in the goods and/or containers shipped by the Charterers.

(b) If, despite the exercise of due care and diligence by the Charterers, stowaways have gained access to the Vessel by means of secreting away in the goods and/or containers shipped by the Charterers, this shall amount to breach of charter for the consequences of which the Charterers shall be liable and shall hold the Owners harmless and shall keep them indemnified against all claims whatsoever which may arise and be made against them. Furthermore all time lost and all expenses whatsoever and howsoever incurred, including fines, shall be for the Charterers' account and the Vessel shall remain on hire.

(c) Should the Vessel be arrested as a result of the Charterers' breach of charter according to sub-clause (a) or (b) above, the Charterers shall take all reasonable steps to secure that within a reasonable time, the Vessel is released and at their expense put up bail to secure release of the Vessel.

(g) If, despite the exercise of due care and diligence by the Owners, stowaways have gained access to the Vessel by means other than secreting away in the goods and/or containers shipped by the Charterers, all time lost and all expenses whatsoever and howsoever incurred, including fines, shall be for the Owners' account and the Vessel shall be off hire.

(h) Should the Vessel be arrested as a result of stowaways having gained access to the Vessel by means other than secreting away in the goods and/or containers shipped by the Charterers, the Owners shall take all reasonable steps to secure that, within a reasonable time, the Vessel is released and at their expense put up with to secure release of the Vessel.

42. Smuggling

In the event of smuggling by the Master, Officers and/or crew, the Owners shall bear the cost of any fines, taxes, or imposts levied and the Vessel shall be off hire for any time lost as a result thereof.

43. Commissions

A commission of 3% percent is payable by the Vessel and the Owners to NAUTECH MARINE CONSULTANTS, Inc. on hire earned and paid under this Charter, and also upon any continuation or extension of this Charter.

44. Address Commission

An address commission of _____ percent is payable to _____ on hire earned and paid under this Charter.

45. Arbitration

(a) NEW YORK

All disputes arising out of this contract shall be arbitrated at New York in the following manner and subject to U.S. Law:

One Arbitrator is to be appointed by each of the parties hereto and a third by the two so chosen. Their Decision or that of any two of them shall be final, and for the purpose of enforcing any award this agreement may be made a rule of the court. The Arbitrators shall be commercial men, conversant with Shipping matters. Such Arbitration is to be conducted in accordance with the rules of the Society of Maritime Arbitrators Inc.

For disputes where the total amount claimed by either party does not exceed US \$ 50,000 The arbitration shall be conducted in accordance with the Shortened Arbitration Procedure of the Society of Maritime Arbitrators Inc.

(b) LC/DAU
 All disputes arising out of this contract shall be arbitrated at London and, unless the parties agree
 Forthwith a single Arbitrator, be referred to the final arbitration of two Arbitrators carrying on business
 in London who shall be members of the Baltic Mercantile & Shipping Exchange and engaged in Shipping
 One to be appointed by each of the parties, with power to such Arbitrators to appoint an Umpire. No
 award shall be questioned or invalidated on the ground that any of the Arbitrators is not qualified as
 above, unless objection to his action be taken before the award is made. Any dispute arising hereunder
 shall be governed by English Law.

For disputes where the total amount claimed by either party does not exceed US \$ 500,000
 the arbitration shall be conducted in accordance with the Small Claims Procedure of the London Maritime
 Arbitration Association.

*Delete (a) (i) or (b) as appropriate

"Where a clause is supplied in the blank space this provision only shall be void but the other provisions
 of this Charter shall have full force and remain in effect"

It mutually agreed, clauses 1 to 21, both inclusive, as attached hereto are fully
 incorporated in this Charter Party.

On Behalf of Owners:

Split Ship Management d.o.o.
 As agent/manager only

Split Ship Management d.o.o.
 Split Croatia

Charterers:



Final Hire Statement / mv Lundenes - Island Aggregate Group / Sirius Shipping Incorporated

Delivery location
 Delivery time December 13, 2006
 Redelivery location Norfolk, USA
 Redelivery time April 04, 2008
 Total Charter Days
 Daily Charter Hire 3600,00 usd
 Daily Charter Hire from

Charter

VESSEL	CHARTERER	HIRE INV.	AMOUNT	PAID	UNPAID
LUNDENES	ISLAND AGREGATE	HIRE INV. 005/07	USD 54,906,49	/	USD 54,906,49
LUNDENES	ISLAND AGREGATE	HIRE INV 006/07	USD 54,906,49	USD 35,000.00	USD 19,906,49
LUNDENES	ISLAND AGREGATE	HIRE INV 008/07	USD 54,906,49	/	USD 54,906,49
LUNDENES	ISLAND AGREGATE	HIRE INV 009/07	USD 54,906,49	/	USD 54,906,49
LUNDENES	ISLAND AGREGATE	HIRE INV 016/07	USD 54,906,00	USD 30,000.00	USD 25,000.00
LUNDENES	ISLAND AGREGATE	HIRE INV 017/07	USD 58,639.22	USD 50,000.00	USD 8,639.00
LUNDENES	ISLAND AGREGATE	HIRE INV 018/07	USD 55,506.49	USD 55,000.00	USD 506.00
LUNDENES	ISLAND AGREGATE	HIRE INV 020/07	USD 64,476.85	USD 47,623.15	USD 9540,70
LUNDENES	ISLAND AGREGATE	HIRE INV 021/07	USD 62,876.85	USD 44,955.00	USD 10,609.35
LUNDENES	ISLAND AGREGATE	HIRE INV 001/08	USD 64,476.85	USD 24,970.00	USD 32,194.35
LUNDENES	ISLAND AGREGATE	HIRE INV 002/08	USD 63,676.85	USD 54422,88	USD 1941,55
LUNDENES	ISLAND AGREGATE	HIRE INV 003/08	USD 60,562.50	USD 50,000.00	USD 3250,00
LUNDENES	ISLAND AGREGATE	HIRE INV 004/08	USD 61,362.50	USD 45,000.00	USD 9050,00
LUNDENES	ISLAND AGREGATE	HIRE INV 005/08	USD 61,362.50	USD 12,000.00	USD 42050,00
LUNDENES	ISLAND AGREGATE	HIRE INV 006/08	USD 61,362.50	/	USD 54050,00
TOTAL					USD381 456, 91

Cayman National Bank**International Payment Receipt**

Cayman National Bank Ltd.

Cayman National Building
250 Fifth Avenue, PO Box 1097 GT
Grand Cayman, The Cayman Islands
(345) 945 4655 Fax (345) 945 4656
www.caymannonline.comBranch: Customer Transfers
Received By: Nelmy Hernandez
Date Received: 06/12/07 09:23 AM

Date: 06/12/2007

Debit A/C #: 012-25977

Beneficiary A/C No. 9333142

Beneficiary: SIRIUS SHIPPING INC

Beneficiary Bank Information

414077 HYPO ALPE ADRIA BANK AG

Island Aggregate Group (Cayman) Ltd.
P.O. Box 864
KY1-1103
Grand Cayman Cayman Islands**Intermediary Bank Information**

0509 WACHOVIA BANK, N.A.

NEW YORK
USA

Bank Details: ALPEN ADRIA PLATZ A 9020 KLONGERDUT HAABAT22 IBAN AT79520 0030 0933 3142

Additional Details:

Wire Amount: \$10,000.00 USD

Debit Amount:

\$8,400.00 KYD

Rate of Exchange: 1.190476

Fee Amount:

42.00

Correspondent Bank Charge:

12.60

Total Debit Amount

\$8,454.60 KYD

Authorized Signature(s)